



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350.1000

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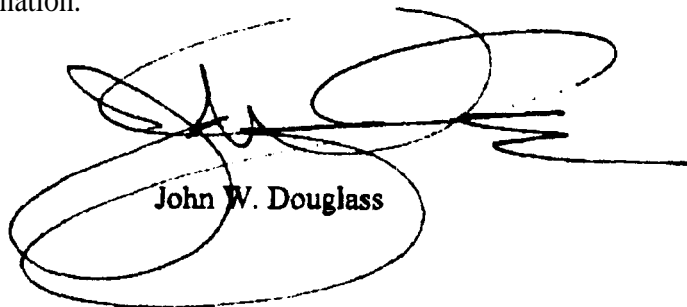
MEMORANDUM FOR DISTRIBUTION

SUBJ: DON POLICY ON APPLICATION OF SPECIFICATIONS AND
STANDARDS REFORM TO REPROCUREMENTS

(a) ASN(RD&A) memo on same subject of 15 Nov 96

Reference (a) directed Program Managers to consider the cost effectiveness and value added from applying specifications and standards reform to the reprocurement (subsequent to the initial production procurement) of sub-systems, systems, and platforms. The objective was to make sure a deliberate business-case analysis was conducted that effectively weighed the life-cycle cost savings and other benefits of moving towards performance-based requirements for reprocurement items against the costs and risks of conversion. While there are legitimate reasons for not converting many reprocurement Technical Data Packages (TDPs) to a performance-based approach, there are many opportunities where it makes sound life-cycle business sense to do so. This implementation guidance has been widely circulated and revised to reflect key comments. Beginning in FY 98, the following is applicable:

- Reprocurement actions for all sub-systems, systems, and platforms having an estimated value greater than \$300,000 (in FY 97 constant dollars) will be subjected to a business-case analysis for the life-cycle impact of converting the TDP to performance terms. Where the results of the analysis indicate it is appropriate to convert (either fully or partially) the TDP to performance terms, this will be accomplished on the instant procurement. Decisions not to convert the TDPs must be validated by an appropriate approval authority.
- During the quarterly metrics briefings, each Systems Commander, Program Executive Officer, and Direct Reporting Program Manager should describe his approach, accomplishments (including the number of reprocurement items or actions issued and the number of reprocurement items or actions which had been revised or partially revised, and unchanged TDPs), and lessons learned/recommendations. The first metrics briefings to include the aforementioned information will begin in January 1998. The ARO will collect this information and ensure that examples and lessons learned receive wide dissemination.



John W. Douglass

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REFORM TO REPROCUREMENTS

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